

NPIC/P&DS/D/6-734
11 February 1956

MEMORANDUM FOR THE RECORD

SUBJECT: Tel Com with [] Concerning []

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1. After learning about a potential 100% overrun on [] contract [] task 2, a long discussion was held within the staff of all the [] tasks NPIC currently sponsors. As a result of this meeting, I called [] the contract administrator, to find out what obligations we have, to pay an unauthorized overrun. I also asked what the costs would be to terminate tasks 3 and 4.

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2. [] has recently taken over this contract from [] and he was not familiar with it. He said he would read the contract over carefully and determine answers to my questions. Off-hand he felt we should not have to pay the overrun, but he added, "These fellows usually find a way of sneaking around it." He said task 3, a CPFF contract, could probably be terminated at any time, but that task 4, a fixed price contract, would most likely have to be continued. Russ will contact me after he has studied the contract.

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Distribution:

- Orig - Project File/DB (#998205)
- 1 - Project File/DB (#998185) ✓
- 1 - Project File/DB (#998215)
- 1 - Chrono/DB

Declass Review by NGA

SECRET

GROUP 1
Excluded from automatic
downgrading and
declassification